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*Counsel to the Post-Effective Date Debtors*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	
	)	Chapter 11
	)	
CELSIUS NETWORK LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 22-10964 (MG)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**POST-EFFECTIVE DATE DEBTORS'  
SUPPLEMENTAL STATEMENT REGARDING INITIAL DISTRIBUTIONS**

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The above-captioned post-effective date debtors (collectively, the “Post-Effective Date Debtors”) submit this supplemental statement (the “Supplemental Statement”) regarding the initial distributions under the *Modified Joint Chapter 11 Plan of Celsius Network LLC and its Debtor Affiliates (Conformed for MiningCo Transaction)* [Docket No. 4289] (the “Plan”).<sup>2</sup>

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan.

### **Supplemental Statement**

The Debtors have become aware of questions amongst creditors regarding the illustrative recovery waterfall that was included in Exhibit A attached to the *Notice of Occurrence of Effective Date of the Debtors' Modified Chapter 11 Plan of Reorganization and Commencement of Distributions* [Docket No. 4298]. In particular, creditors were attempting to reconcile how coin quantities in the October 2023 Coin Report compared with those included as part of the initial distribution under the Plan. The summary attached as Exhibit A provides that reconciliation.

Additionally, it appears that there are questions related to the size of the unsecured claims pool and how that affects initial and subsequent distributions. The size of the unsecured claims pool estimated in connection with the Confirmation of the Plan was approximately \$4.2 billion. The Class Claim Settlement increased the claim of any account holder who did not timely opt out by 5%. That has the effect of increasing the unsecured claims pool by approximately \$200 million. That change does not actually reduce account holder recoveries amounts, but it has the effect of artificially reducing the recoveries on a percentage basis—the same amount of assets are being distributed to claims that are now 5% higher.

Also importantly, the illustrative waterfall attached to the notice of effective date only detailed the initial distribution to creditors—the amounts of cryptocurrency, fiat currency and stock that will be received in the coming days and weeks. There will be subsequent distributions that reflect the proceeds associated with the sale of remaining illiquid assets. In addition, the Debtors expect future distributions as other disputed and unliquidated claims are resolved; there are \$500 million of disputed and unliquidated litigation and damages claims reflected in the illustrative waterfall that the Debtors expect will be reduced over time, as those claims proceed through the adjudication process with the Bankruptcy Court. Cryptocurrency, fiat currency and stock were

held back on account of these claims. Over time, the Debtors expect those disputed and unliquidated claims to be reduced, and for the amounts initially reserved to be distributed through subsequent distributions to the remaining creditors with allowed claims.

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New York, New York  
Dated: February 2, 2024

*/s/ Joshua A. Sussberg*

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**Exhibit A**

**Summary**

**Celsius Network Inc.**  
**Bridge to 10/20/23 Coin Report**

*\$ in millions*

*Coin prices as of 1/16/2024*

*BTC = \$42,973; ETH = \$2,577*

	<u>BTC Quantity</u>	<u>ETH Quantity</u>	<u>Value as of 1/16/24 (\$MMs)</u>
<b>Coins as of 10/20/23 Coin Report</b>	<b>37,915</b>	<b>887,587</b>	<b>\$3,917</b>
<u>Adjustments to Coin Balance:</u>			
1) BTC / ETH in Illiquid Assets (primarily inst. loans)	(798)	(47,244)	(\$156)
2) Custody Assets	(2,086)	(25,625)	(\$156)
MiningCo Capitalization	-	(87,295)	(\$225)
Wind Down Budget	-	(27,158)	(\$70)
Litigation Administration Budget	-	(21,339)	(\$55)
ETH Monetized for Fiat Distributions	-	(104,316)	(\$269)
Priority Admin Claims & Other Emergences Uses	-	(64,123)	(\$165)
3) Subtotal - Monetization of ETH	-	(304,230)	(\$784)
4) Reserves / Holdbacks for Loan Repayments	(244)	(2,607)	(\$17)
<b>Total Changes from 10/20/23 Coin Report</b>	<b>(3,129)</b>	<b>(379,706)</b>	<b>(\$1,113)</b>
<b>Total Coins / Value for Distribution</b>	<b>34,786</b>	<b>507,881</b>	<b>\$2,804</b>